

Minutes of the Canadian Alternative Reference Rate Working Group

Hybrid, 20 November 2023, 11:30 p.m. to 1:00 p.m.

1. Introduction

Members were welcomed to the meeting. The co-chairs noted that only 7 months remain until CDOR's publication ceases. With the passage of CARR's November 1 "No new CDOR loans" milestone, the loan market should now begin transitioning in earnest.

2. Term CORRA update

CanDeal noted its continued success in calculating and publishing Term CORRA. A quick debrief of the Term CORRA oversight committee's November meeting was provided. CanDeal is developing a robust set of internal validation metrics for presentation to the oversight committee and is still working to determine its potential republication policy for Term CORRA.

TMX discussed its progress in signing up clients for Term CORRA licenses and discussed its continued efforts to come to an agreement with Bloomberg on how to distribute Term CORRA over its platform. Term CORRA has been available on the Refinitiv platform since October 9 and can also be obtained directly from TMX Datalinx, as well as on a T+1 basis from the CanDeal website for informational purposes.

Members discussed the upcoming CARR-TMX webcast on Term CORRA, scheduled to be done live on November 22, with a recorded version made public a few weeks afterwards.

3. CDOR transition status

CARR members noted that trading [continues](#) to be predominantly done using CORRA for new interest rate swaps trades and now over 60% of interest rate futures trading volume references CORRA. Members discussed the CDOR-CORRA basis, which has traded close to the Bloomberg published fallback rate on a forward starting basis beginning after June 2024.

Members noted that the CME had a recent consultation on their proposed conversion of CDOR swaps to CORRA. Members noted that some market participants had argued to have the CME and LCH swap conversion take place on different dates.

MX reminded CARR members that it will [convert](#) its BAX futures to CORRA futures on April 26, 2024. 3-month Term CORRA future volume was seen as healthy and is now consistently larger than BAX volume.

Members discussed the transition of loans markets, which was still seen as being in the early stages. Members discussed the need for all lenders in a Term CORRA referencing loan syndicate to have a Term CORRA license, including in multi-currency loan facilities that have a Canadian dollar drawdown option referencing Term CORRA. It was noted that if these facilities reference CORRA (i.e. not Term CORRA) then no license is required. Members also discussed the adherence of non-Canadian banks to CARR's November 1 "no new CDOR loan" milestone since some new CDOR

based loans had been booked after that date. However, members noted that the terms of these loans were most likely agreed to before November 1.

4. CARR subgroup updates

The Cash Securities subgroup noted that CARR's response on NHA-MBS was finalized and would be published soon. The subgroup recently met with CDS to discuss the best approach for FRN issuers to inform noteholders that the fallback language in their notes will be triggered after CDOR's cessation.

The Derivatives subgroup noted that its Term CORRA swap conventions had been published.

The Term CORRA subgroup noted its work on CARR's FAQ document, which will soon be updated. Members discussed how to best monitor the use of Term CORRA in loans and other transactions.

The Operations and Infrastructure subgroup co-chairs noted that its transition aid document was now translated and would soon be published.

The Communications and Outreach subgroup co-chairs discussed recent events with benchmark transition panels, including the session at the CBIA's annual conference. Members also discussed the next [planned](#) CARR-TMX webcasts.

5. Other items

The next CARR meeting will take place on 11 December 2023.

List of attendees

Market representatives

Jason Chang, AIMCO
Carol McDonald, BMO
Luke Francis, Brookfield
Karl Wildi, CIBC
Louise Stevens, CMHC
Carl Edwards, Desjardins
Alan Turner, HSBC
Jean-Philippe Drolet, National Bank of Canada
Edwin Wong, Ontario Financing Authority
Andrew Bastien, PSP
Jim Byrd, RBC
Elaine Wright, Samuel, Son & Co.
Anuj Dhawan, Scotiabank
Brett Pacific, Sunlife
Derek Astley, TD Bank

Observers

Louise Brinkmann, CanDeal
Philip Whitehurst, LCH
Josh Chad, McMillan LLP
David Duggan, National Bank Financial
Mike Elsey, RBC
Gavin Morris, TMX
Robert Tasca, TMX

Subgroup co-leads

Jacqueline Green, CIBC
Lisa Mantello, Osler
Elodie Fleury, National Bank of Canada
Robin Das, RBC Capital Markets
JP Mendes Moreira, Scotiabank

Bank of Canada

Harri Vikstedt
Sheryl King
Wendy Chan
Danny Auger
Owen Zehr
Thomas Thorn